

Business Opportunities with the European Bank for Reconstruction and Development (EBRD)

by Alice Davenport, Senior Commercial Officer, U.S. Commercial Service Liaison Office to the EBRD

Alice Davenport works for the U.S. Department of Commerce and her primary role is to assist U.S. companies to do business with the European Bank for Reconstruction and Development (EBRD). The Republic of Serbia and Montenegro is a priority country within the EBRD's region of operation and, this year, will also be the location for the EBRD's Annual Meeting and Business Forum (Belgrade, 22-23 May 2005). This article briefly outlines how companies operating in Serbia and Montenegro can work with the U.S. Commercial Service EBRD Liaison Office and the EBRD.

Q: What exactly is the EBRD?

The European Bank for Reconstruction and Development was set up in 1991 to foster the transition from centrally planned to market economies in 27 former communist countries in central, eastern and south eastern Europe and the Commonwealth of Independent States. The EBRD is the largest single investor in the region and mobilizes significant foreign direct investment beyond its own financing. Since its foundation the Bank has invested more than €23 billion and mobilized an additional amount of more than €45 billion. The EBRD is owned by 60 countries and two intergovernmental institutions and the U.S. is its largest single shareholder. The mandate of the EBRD stipulates that it must only work in countries that are committed to democratic principles. Respect for the environment is part of the strong corporate governance attached to all EBRD investments.

Q: What is the role of the US Commercial Service Liaison Office at the EBRD?

The U.S. Commercial Service Liaison Office at the EBRD is an integral part of the U.S. government presence at the Bank's headquarters in London. As Senior Commercial Officer, my function is similar to that of a Commercial Attaché at a U.S. Embassy

abroad. The mandate of my office is to help U.S. companies do business with the EBRD, and one of the most important ways we reach out to U.S. companies is by working through partners like AmCham. You can learn more about my office by checking our website at:

[http:// www.buyusa.gov/ebrd.](http://www.buyusa.gov/ebrd)

This website is full of tips for U.S. companies which want to do business with the EBRD. We also work closely with Senior Commercial Officer Maria Andrews and her staff in the Commercial Section of the U.S. Embassy, Belgrade.

Q: What kinds of projects has the EBRD financed in Serbia and Montenegro?

The EBRD signed its first project in Serbia and Montenegro in early 2001. Today, the Bank is the largest single investor in the country, having committed over €663 million to more than 34 projects. In 2004 alone, the Bank committed more than €150 million in projects in sectors ranging from agribusiness to manufacturing, to helping entrepreneurs obtain finance for their businesses. A similar amount of investment is planned for 2005. In addition, the EBRD has mobilized more than €1.2 billion in finance from the private sector, which is crucial for promoting the country's transition towards a market economy.

Q: What are the likely areas for future EBRD projects?

Future investments will span both the public and, more importantly, the private sector. Public sector projects will include projects to improve air navigation and safety in the region, and projects in the transport sector. The Bank will continue to promote the privatization of large-scale enterprises, which is crucial for attracting more private sector investment. Restructuring and privatization of major state entities such as the railways, telecommunications, NIS (Petroleum Industry of Serbia) and EPS (Elektro Privreda Serbia), the electrical grid, could bring in much-needed revenues for the government.

Working with private investors is also a priority for the EBRD and one of the Bank's aims is to encourage the growth of small and medium-sized enterprises in areas such as agribusiness, greenfield investments and property and tourism. Another important element of the Bank's strategy for Serbia and Montenegro is its firm commitment to regional cooperation in the Western Balkans. Without a regional dimension, many project opportunities could be lost. For example, regional co-operation is fundamental for promoting trade within these countries, as well as for promoting opportunities within a wider geographical market that will attract larger private investors.

For more information on the EBRD's activities and ongoing strategy in Serbia and Montenegro please visit: <http://www.ebrd.com/about/strategy/index.htm>

Q: Why was Serbia and Montenegro chosen for the EBRD's 2005 Annual Meeting and Business Forum, and how can companies find out about attending?

The 2005 EBRD Annual Meeting and Business Forum, to be held in Belgrade on May 22nd and 23rd, will be the Bank's fourteenth annual meeting since it was established in 1991. This is the first time the meeting will be held in the Western Balkans. Each EBRD Annual Meeting attracts between 2000 and 3000 guests, including government officials, business leaders, non-governmental organisations and journalists from all over the world, thus drawing a considerable amount of international attention to the country of location and the surrounding region. The 2005 meeting will be a forum for dialogue and debate around the current issues affecting the Western Balkans region as well as an opportunity for investors to understand more about the market and investment potential that exists here.

From the EBRD's perspective, choosing Belgrade as this year's meeting location reiterates the importance the Bank places on Serbia and Montenegro and its neighbors. The meeting will not only benefit the business community in Serbia and Montenegro, but also the Western Balkans, as well as the EBRD's other countries of operations.

To register, or to find out more information on the EBRD Annual Meeting, please visit: <http://www.ebrd.com/am>. To find out more information about the EBRD in general, please visit: <http://www.ebrd.com>